

per State if the tax cuts are made permanent. And the winner, again, clearly, is California, followed by New York and Texas. But Michigan begins to show up, New Jersey begins to show up, along with Florida, Illinois, Ohio, and Pennsylvania. These are States, again, where they are saying: Our economic growth has been anemic, our job growth has been anemic. What can we do?

The answer to what can we do? We can make the tax cuts permanent. Well, no, politically, we don't want to do that. Politically, it makes good rhetoric for us to attack the rich.

One of the things we have to remember as we have these economic debates is the best thing you can do for someone who is poor is to find him a job. The best thing you can do for people who are at the bottom is to have strong economic growth. Who gets hurt the most in a recession? It is the poor. Who loses his job when unemployment goes up? It is the person with the least skills, who can least afford to lose his job.

I remember a hearing in the Joint Economic Committee, when one of my colleagues, in the midst of the boom of the late 1990s, asked Chairman Greenspan: Who has benefitted the most from this boom, expecting the answer to be: Well, it is the people at the top; the people at the top have gotten all the money; the people at the top have benefitted the most from this booming economy are the people at the bottom. The bottom quintile have seen their life change, their lifestyle, their availability to income improve better than anybody else.

We always single out Bill Gates as the richest person in the United States. Did Bill Gates get hurt with the recession? No. His lifestyle didn't change. He didn't lose his house. He wasn't in danger of being late on his mortgage payments because he didn't have any mortgage payments. The growth in the economy did not make that big an impact on his situation. But the people at the bottom, who were unable to get the jobs in the recession that began in 2000; the people at the bottom, who were unable to meet their bills with the recession of 2000; the people at the bottom, whose skills were such that they were the first laid off, they are the ones who have benefitted the most by the expansion that began with the passage of the tax cuts in 2003.

They are the ones who were benefited the most when the unemployment rate fell below 5 percent. It is currently 4.4 percent.

In my home State of Utah, the unemployment rate is 2.3 percent. Who is benefiting the most? It is the people who would otherwise be unemployed if the unemployment rate went back up to 6 percent.

When we look at income growth per State, don't say that only benefits the

fat cats; that only benefits the people at the top. Recognize that the best welfare you can do for anyone is to find them a job. The best life-changing experience you can create for someone is to have a strong economy where that person can work and grow their own savings and get slightly ahead.

Chairman Greenspan was very firm about that, with respect to who benefited the most from the income growth of the 1990s. It is still true today. Who will get hurt if the tax cuts are not made permanent and the jobs represented on these charts do not materialize? It will be the people who lose their jobs.

We, the Congress and the administration, demonstrated that we could get together on the trade deals. It was announced with great gladness that the Democrats who had said "never" and the Republicans who had said "never" were able, finally, to get together and make this thing work. Can't we do that with respect to tax policy? Can't we understand now that the tax policy has worked?

Since the tax cuts were enacted, 8.5 million new jobs have grown up in the United States. More Americans are working today than ever in our history, both in total numbers and as a percentage of the workforce. Can't we celebrate that achievement and say let's keep in place the policies that caused it? Or will we continue to say, no, we can't let anything happen because, for some political reason we want to scare people, we want to use class warfare rhetoric; we want to say, no, this isn't really working, it is an illusion. Ignore the statistics. Ignore the facts.

I think we can work together. I think we should work together. I think the facts are clear. We should endorse them and move ahead in that spirit.

The ACTING PRESIDENT pro tempore. The Senator from Washington State is recognized.

Ms. CANTWELL. Madam President, I ask unanimous consent to speak for 10 minutes in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY POLICY

Ms. CANTWELL. Madam President, I am coming to the floor this morning to talk about energy policy. I know the Presiding Officer very much understands the importance of energy policy and has represented a State in a region of the country that has been a key component to the U.S. energy strategy. My own State, Washington State, with our long history, with our hydro system, is starting to become a leader in alternative energy and certainly in renewable energy.

But I rise today to talk about the beginning of the U.S.-China Strategic Economic Dialogue that is an ongoing bilateral forum between the United States and China. I think it will help

lay the foundation for important, productive, and mutually beneficial ties between our two countries.

I appreciate that Treasury Secretary Paulson and Vice Premier Wu are starting that discussion today. I hope energy will be among the issues they talk about.

I am under no illusion that we have big challenges in working with China and particularly in embracing a concept I believe is very strategic to how the United States operates in a global economy, that is "coopetition"—you look at those with whom you are competing and also look for ways in which you can cooperate and have strategic benefits by working together. I think that "coopetition" is exactly the policy we ought to embrace with China as it relates to energy, and it is very important we use this Strategic Economic Dialogue to move forward on that issue.

I know they are going to talk about lots of different issues. It is not as if Washington State agrees with China on all issues. I know the currency issue will be part of the discussion. I know there are intellectual property rights and agricultural issues, there are restrictions on Washington products, and many things that will be discussed as part of a larger economic dialogue. But I think it is important to understand the Washington State experience. If you juxtapose our experience to that of the United States, and the U.S. trade imbalance with China, I venture to say Washington State almost has a trade surplus with China. That is, if you look at various aspects of our economic numbers, Washington State and China have been good trading partners.

Back last year, China was the largest export market for Washington State. We sent \$6.8 billion in exports to China. Approximately two-thirds of Washington State's agricultural exports went to Asia and 17 percent to China: apples, potatoes, cherries, and a variety of other products. And Washington State companies have been aggressive at pursuing opportunities in China for a long time. I don't know if it is the proximity of our State to China and the fact that we both look to the Pacific, I don't know if it is the large Chinese-American population that resides in the State, or just the long cultural history on which we continue to build. But Washington State companies have been aggressively pursuing opportunities in China for years.

In fact, Boeing signed its first contract with the Chinese Government for 10 707 jetliners in 1972, shortly after President Nixon made his first visit there. It is amazing that today 60 percent of China's commercial aircraft are Boeing planes.

That relationship has grown over a long period of time, and we have benefited. In fact, in 2006 China purchased \$7.7 billion dollars' worth of Boeing planes. That represents about 112 orders from different Chinese airlines.

Today China is one of the largest opportunities for Boeing. Some have estimated the commercial aircraft market could be as large as \$280 billion.

When we look at these issues, we look at the cooperation and the economic opportunity that has existed for our State. Microsoft is another example. It first opened an office in Beijing in 1992. It is no surprise, when President Hu was visiting the United States, he actually came to Everett and Seattle and Redmond and had an opportunity to be hosted by Bill Gates. Microsoft is benefiting greatly from the sales of computers and legally licensed software in China.

More recently, Starbucks has launched hundreds of stores in China. Who would have thought that a coffee company would go into a tea-drinking country and have so much success. But China represents roughly 20 percent of the new international store growth for Starbucks. It has become Starbucks' most important foreign market.

My point in saying this is that I hope, as we have a debate about currency—and I think it is important that we have a debate about currency—that we also realize that China is a market. It is a market for U.S. products. No export sector could be of greater interest, I believe, than the opportunity in the energy and environmental areas.

Today, China accounts for about 40 percent of the increase in world oil demand. The number of passenger vehicles on China's roads has tripled since 2001 and may equal the United States by 2030. The Chinese face this mass internal transformation from growth and modernization. We have the opportunity to help them with that transition. They are trying to keep pace. In fact, China is adding one huge 1,000-megawatt, coal-fired plant to its grid each week. That is like adding enough capacity every year to serve the entire country of Spain. But even with this new capacity, their country is without predictable electricity.

In 2004, China had power shortages in 24 of its 31 provinces and autonomous regions, so they are dealing with a challenge to deliver energy to various parts of their country.

What is the opportunity? The International Energy Agency estimated that China will spend \$2.3 trillion over the next 25 years just to meet its growing energy demands, and that modernizing its electricity grid will require about \$35 billion annually for the foreseeable future. That is where American technology can come in; that is where we can seek new opportunities for U.S. companies. In fact, the same International Energy Agency has talked about the fact that, if we institute demand-side management programs where we can leverage modernizing the electricity grid, we can show that investments of \$700 billion in the demand side could avoid almost \$1.5 trillion in additional generation, transmission, and distribution costs in China between now and 2030.

That is an interesting number. By the United States partnering with China, we would have an opportunity to help them save on their energy costs. What does that mean for us as far as the great opportunity? It means increasing exports of U.S. goods and services. It means U.S. opportunities to grow in the areas that I have mentioned. Good opportunities already exist in aerospace and software and coffee but they also can emerge in the energy and environmental sectors.

It is interesting to think that China realizes that they have a challenge and that they are trying to diversify into an array of more clean energy sources, including wind, solar, biofuels, and clean coal. They are trying to increase productivity and cost savings associated with modernizing the electricity grid.

I happened to visit Beijing last November with a group of Washington State business leaders that were there to promote long-term opportunities for us to work together. It was then that I realized how much the Chinese Government had embraced and was committed to its goal of cutting energy consumption per unit of GDP by 20 percent by 2010. For that very short period of time they have tremendous energy goals that we, the United States, can help them meet.

Modernizing the domestic energy infrastructure will require an estimated \$35 billion a year. Again, that is an opportunity for the United States, exporting existing U.S. products and services, that could help us turn around the trade imbalance.

In a speech last month, Premier Wen acknowledged that China must focus on energy conservation and emission reduction in order to both develop the economy and protect the environment. I think this is an opportunity that is before us now as we are part of the Strategic Economic Dialogue with China. Increased U.S.-China cooperation on energy and environment would have tremendous economic, environmental, and security benefits for both our nations. It would help make U.S. companies better positioned for economic opportunities both inside and outside China as we develop standards associated with our energy policy.

I recently sent a bipartisan letter to the President asking for a comprehensive U.S.-China energy policy and bilateral energy summit. I am proud to say that the bipartisan letter, signed by several of my colleagues on the other side of the aisle—Senator SMITH, Senator MURKOWSKI, Senator VOINOVICH—also was signed by the four chairs of important committees—the Energy Committee, Finance Committee, Foreign Relations, and Homeland Security Committee—because I believe that they agree that this is an important opportunity for the U.S. and China to work together. In fact, we said, in sending the letter to the President:

The way we approach global energy issues will affect the international economy and

the world's environment for decades to come. A bilateral U.S.-China energy policy and a summit between our nations to focus on ways to cooperate on energy issues would have tremendous economic benefits for both our nations.

I hope as the Strategic Economic Dialogue goes forward this week that a great deal of focus will be placed on energy. When one of my predecessors, Warren Magnuson, went to China, he said, "pretending 700 million people in the world do not exist is the wrong approach." Today it is 1.3 billion people. It is time to understand China's internal transformation, our own global energy needs, and our nations' evolving relationship. It is time to see the great promise in our common interests and time to work together on shared challenges and opportunities involving energy and the environment.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who seeks time? The Senator from Rhode Island is recognized.

Mr. WHITEHOUSE. Madam President, I would like to speak for 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. WHITEHOUSE pertaining to the introduction of S. 1451 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WHITEHOUSE. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

ORDER OF PROCEDURE

Mr. CASEY. I ask unanimous consent to be recognized for up to 10 minutes in morning business and that the Senate recess at 12:40 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CASEY. I thank the Senator from Alabama for his courtesy in allowing me this time.

Madam President, I rise today to focus the attention of the Congress, and the attention of the country, upon an issue that is at the heart of why I asked the people of Pennsylvania to allow me to serve in the U.S. Senate.

That issue is the well-being of our children and their future.

When we greet one another in this country we typically say "Hello" and "How are you?" But the standard greeting of the East African Masai people is not, "How are you?" but, rather, "How are the children?" This culture embodies the wisdom that the health of any civilization is always a reflection of the well-being of its most vulnerable citizens—its children.

I am distressed and alarmed that in response to the question, "How are the children," the answer today, here in the richest country on Earth, is this: The children, and particularly children from low income and working families, are not well. Our children are not